

# Workforce Issues of the 21st Century: The People CMM to the Rescue

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# Agenda

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1. Workforce Issues of the 21<sup>st</sup> Century
2. Workforce Issues Impacting Performance and Retention
3. Overview of the People CMM



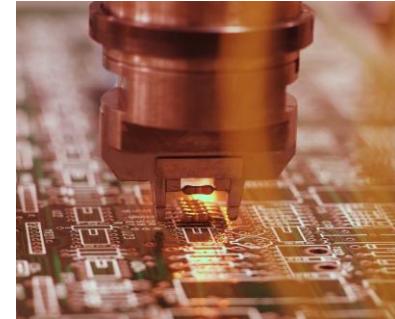


# Workforce Issues of the 21<sup>st</sup> Century



# Putting People Back Into the Equation

Today, organizations are largely dependent on high-technology to develop, build, and maintain their products and services.

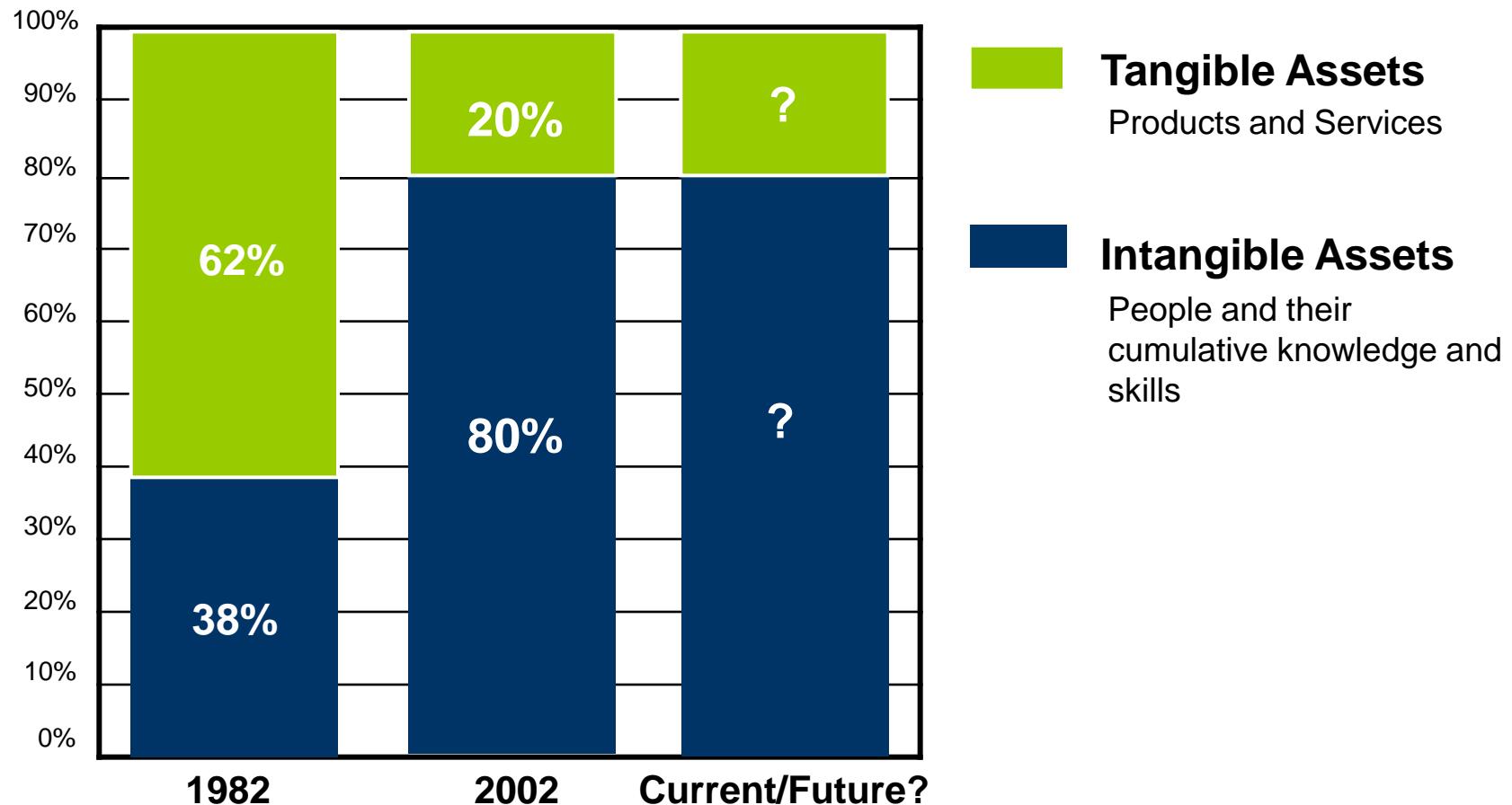


This has created a dependence on a workforce with specialized knowledge and skills.



# People: Growing Contributors to Organization Success

## Organizational Value: Tangible and Intangible



Source: Kirchoff 2006



# Workforce Issues: Worldwide Trends

## Shifting Demographics

United States, European Union, Japan...



## Shortage of knowledgeable, skilled, and adaptable workforce

United States, European Union, Mexico, South Africa, China...

## Work-life balance

United States, European Union, China



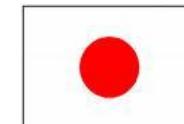
## Retention

United States, European Union, China, India



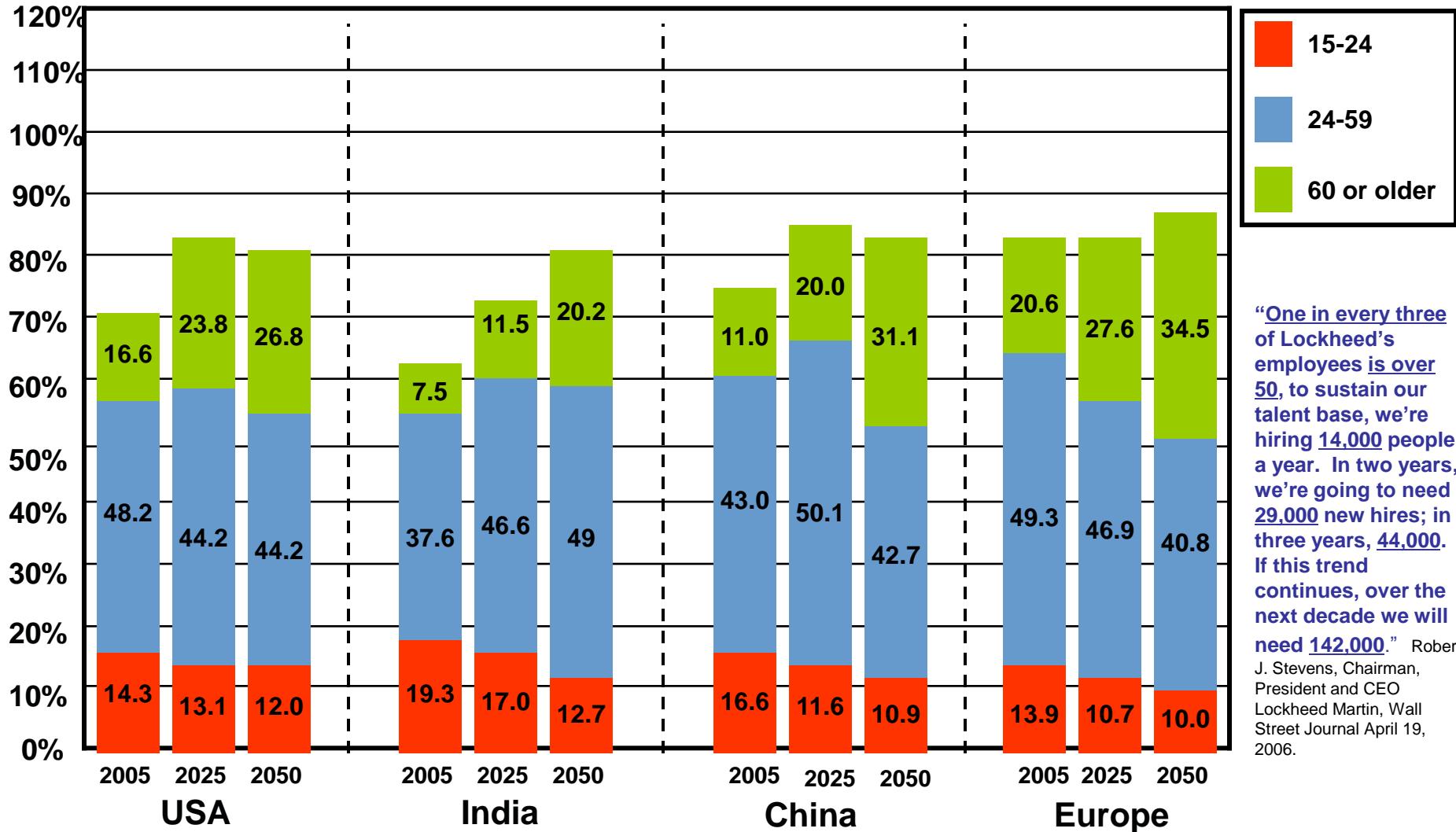
## Multiple generations in the workforce

United States, European Union, China



# Trends Affecting the Workforce

## Shifting Demographics of the World's Population



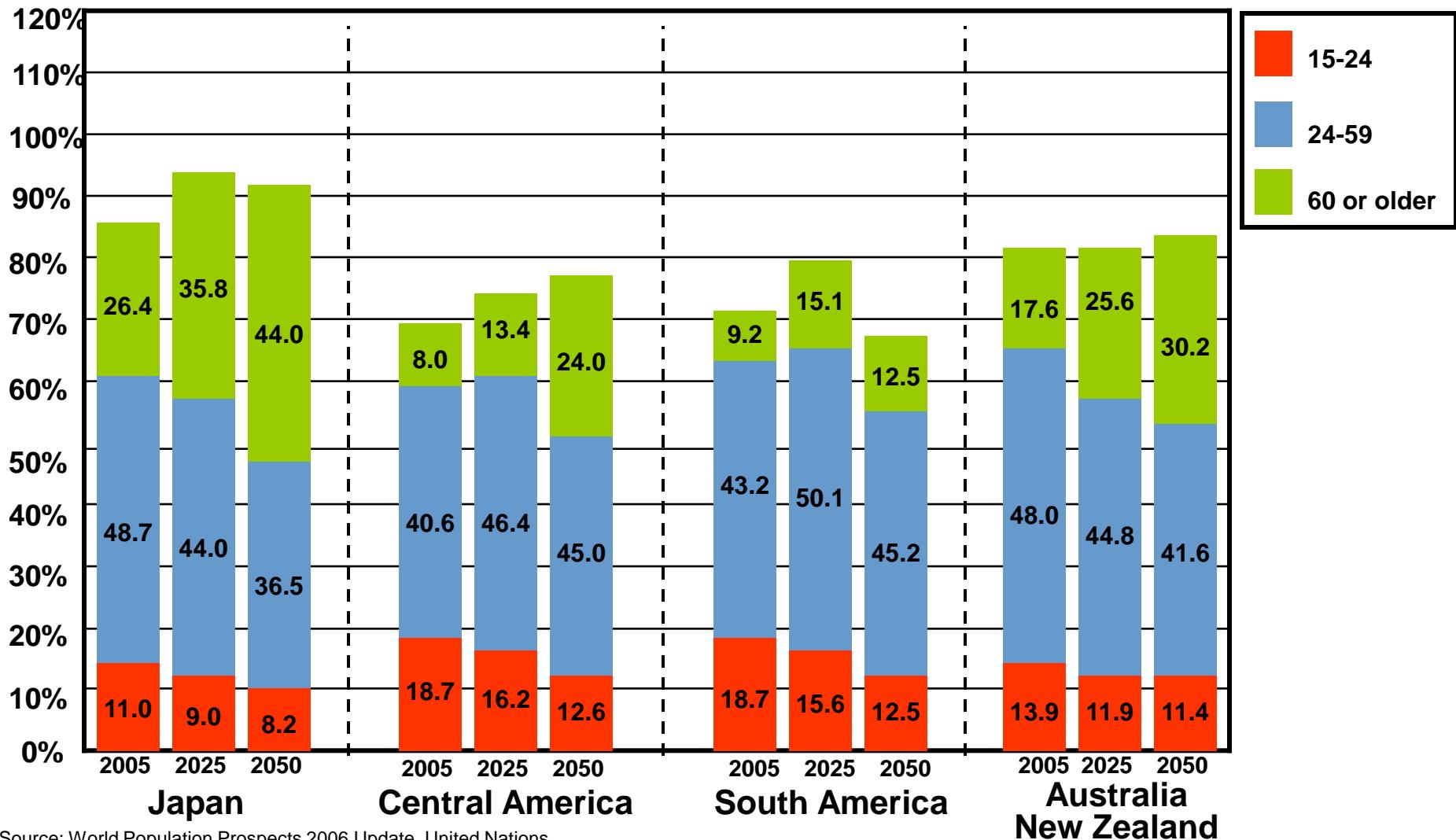
*“One in every three of Lockheed’s employees is over 50, to sustain our talent base, we’re hiring 14,000 people a year. In two years, we’re going to need 29,000 new hires; in three years, 44,000. If this trend continues, over the next decade we will need 142,000.”* Robert J. Stevens, Chairman, President and CEO Lockheed Martin, Wall Street Journal April 19, 2006.

Source: World Population Prospects 2006 Update, United Nations



# Trends Affecting the Workforce

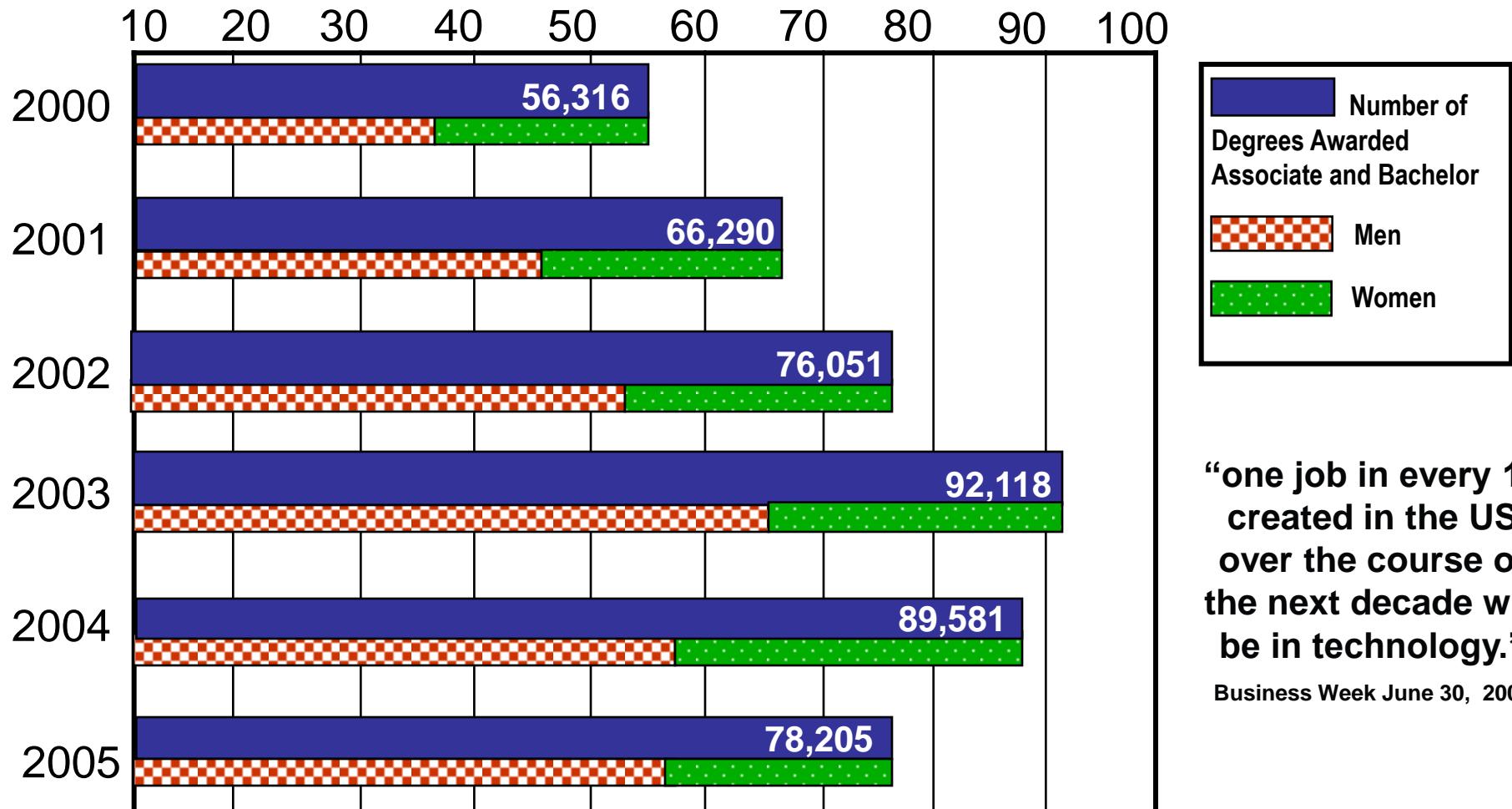
## Shifting Demographics of the World's Population //



Source: World Population Prospects 2006 Update, United Nations



# US Computer Sciences Degrees Awarded 1999 - 2005



“one job in every 19  
created in the US  
over the course of  
the next decade will  
be in technology.”

Business Week June 30, 2008

Source: National Science Foundation Statistics May 2008



Software Engineering Institute

Carnegie Mellon

SEI Webinar August 2008  
Buttles and Wemyss

# Shift in Demographics: US Baby Boomers

In the US, between 2010 and 2030 over **78 million baby-boomers**, many in key positions, will be eligible for retirement. With the exit of a large segment of the workforce, many organizations may be facing a loss of:

## Senior Management

- corporate knowledge (“know-how”, soft knowledge, etc.)
- customer and product/services intimacy
- technical knowledge and skills
- mentor



## Senior Technical Staff

- technical knowledge and skills
- product and/or service development knowledge
- corporate knowledge (“know-how”, soft knowledge, etc.)
- mentor



## Senior Administrative Staff

- corporate knowledge (“know-how”, soft knowledge, etc.)
- mentor

and a shift or change in: **Corporate Culture**



# National, DoD, and Civilian AT&L Workforce

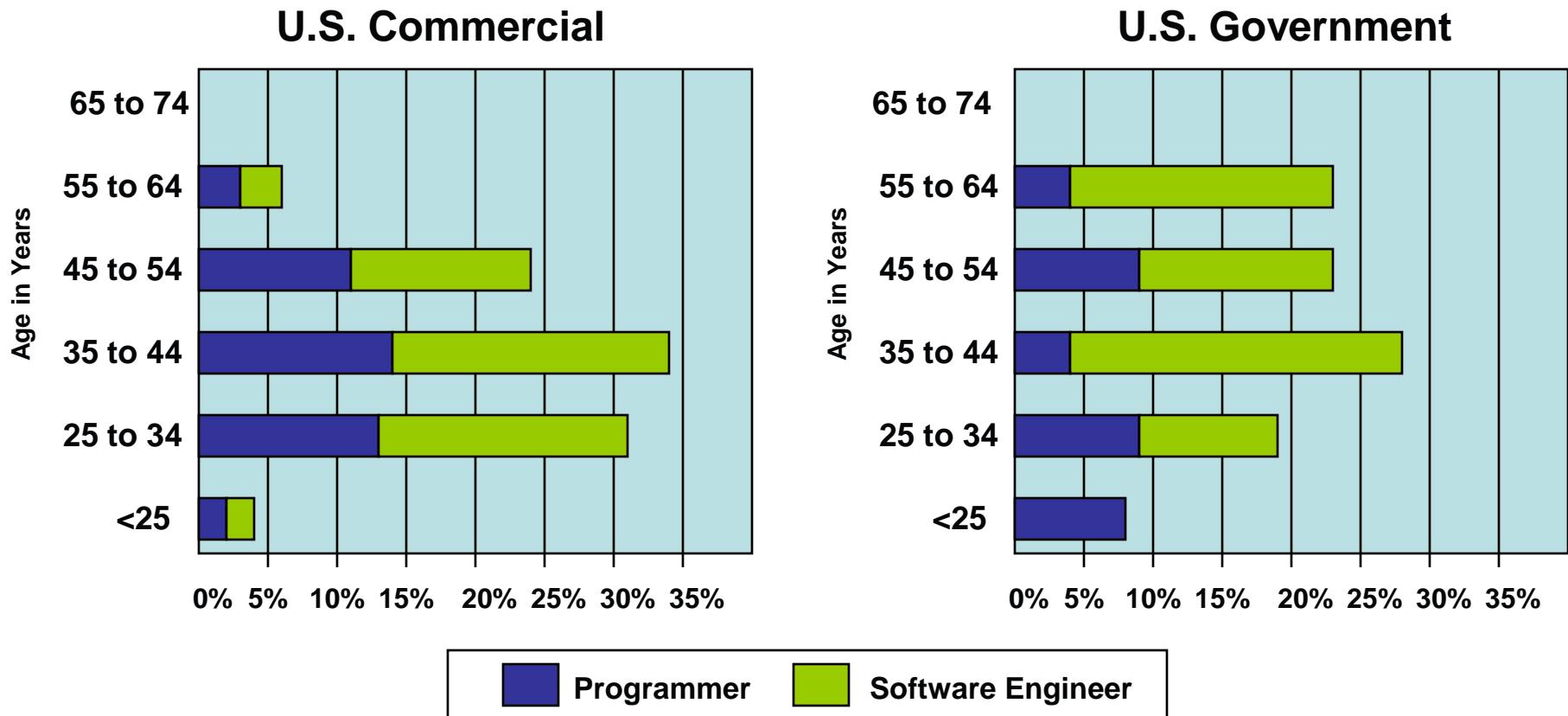
“DoD faces significant challenges related to mitigating the pending departure of its highly experienced and seasoned talent – the critical challenge” Frank Anderson, Jr., Director, AT&L Human Capital Initiatives, President, Defense Acquisition University 2007

	National (2005)		DoD (2006)		Civilian AT&L Workforce (2006)	
Generation	Workforce (Millions)	% Workforce	Workforce	% Workforce	Workforce	% Workforce
Traditionalists (Born before 1946)	11.5	7.5%	45,625	6.7%	8,322	7.4%
Baby Boomers (1946 - 1964)	61.5	42.0%	438,971	64.5%	77,779	68.7%
Generation X (1965-1976)	43.5	29.5%	132,948	19.5%	17,581	15.5%
Generation Y (1977 -1989)	31.5	21.0%	62,676	9.2%	9,394	8.3%
Millennium (1990 - present)	51.0	0%	153	0%	0	0%

Source: Anderson 2007, NDIA STEM Initiative Strategy Session



# Focus on the Software Developer: Age Distribution



Slide adapted from CSIS 2006, Source: Current Population Survey (August 2006)



# Workforce Issues: What Does This Mean to You?

**Shortage of workers can place undue pressure on existing workforce, longer hours, etc.,**

- reduces productivity and increases defects
- reduces morale and organizational loyalty



## Knowledge and skills gap

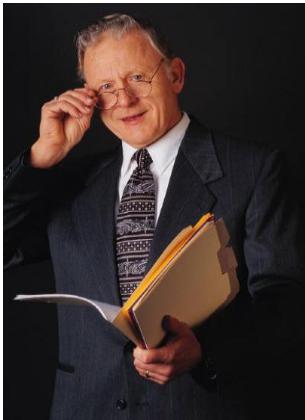
- college graduates
- need to establish or invest in training and development activities
- need to invest in knowledge and skill profiles and assess current capability (competencies)

## Place a strain on Human Resources, hiring managers, and/or recruiters

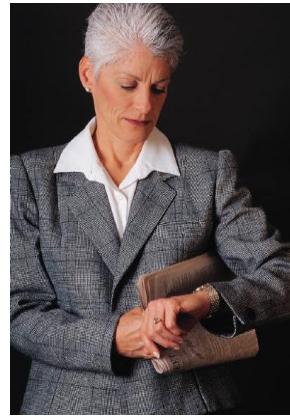
- competition for experienced/skilled managers
- intense competition for skilled and knowledgeable workforce
- Federal Sector: Clearance, Clearance, Clearance



# Managing Multiple Generations: Cultural Differences



**Traditionalist**  
1928-1945



**Baby-Boomer**  
1946 - 1964



**Generation X**  
1965 - 1980



**Generation Y**  
1980 - 2000

- Hard worker
- Respects authority
- Work is an obligation
- Communicates formally & in person
- Organizational loyalty
- Work & family don't mix

- Workaholic
- Questions authority
- Works efficiently
- Competitive
- No news is good news
- Work to live, little balance between work/family

- Technically savvy
- Prefer informality
- Learns quickly
- Communicates directly & immediately
- Wants structure & direction
- Seek work/life balance

- Prefer informality
- Learn quickly
- Embrace diversity
- Requires supervision
- Indirect communication: email & texting
- Seek "demand" work/life balance





# Workforce Issues Impacting Performance and Retention



# Workforce Issues: Performance & Retention ,

## Managers

- limited skills/abilities to manage and develop people



## Staffing

- hired for a job without the required knowledge and skills
- job hired is different than job assigned

## Training and Development

- training is not keeping up with changes in technology
- training to reduce knowledge and skills gaps is not provided, timely, or relevant
- limited/no opportunities to develop and use new knowledge and skills (growth)

## Performance Management

- no clear performance objectives, no linkage to committed work
- performance problems are not managed
- inconsistent rewarding of performance



# Workforce Issues: Performance & Retention //

## Communication

- limited/no communication, top down, bottom up, and laterally
- inconsistent and vague messages (verbal and behavioral)



## Compensation

- not linked to performance objectives
- rewards for inappropriate behaviors
- inequity issues



## Work Environment

- physical space and resources to perform committed work are not provided or not provided in a timely manner



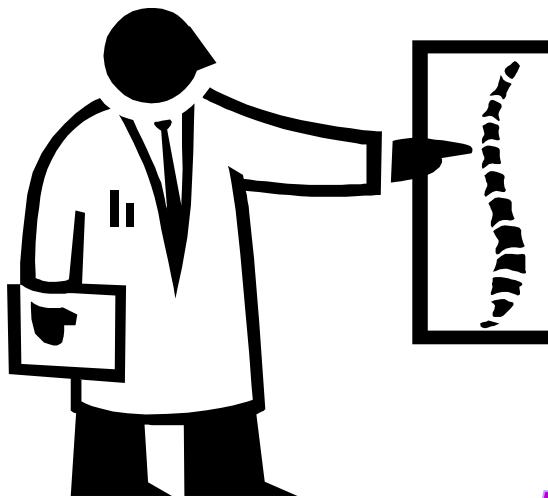
## Organizational Culture

- gap between Ideal and Real Culture
- culture does not support business objectives or mission goals



# Misaligned Workforce Practices

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Communication

Training & Development

Staffing

Organizational Culture

Performance Management

Compensation





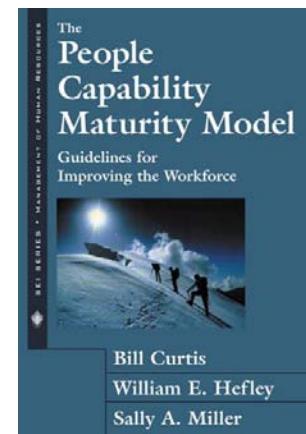
# The People Capability Maturity Model: Overview



# People CMM: Introduction

The People CMM is a roadmap for implementing workforce practices that continuously improve the capability of an organization's workforce. It enables organizations to:

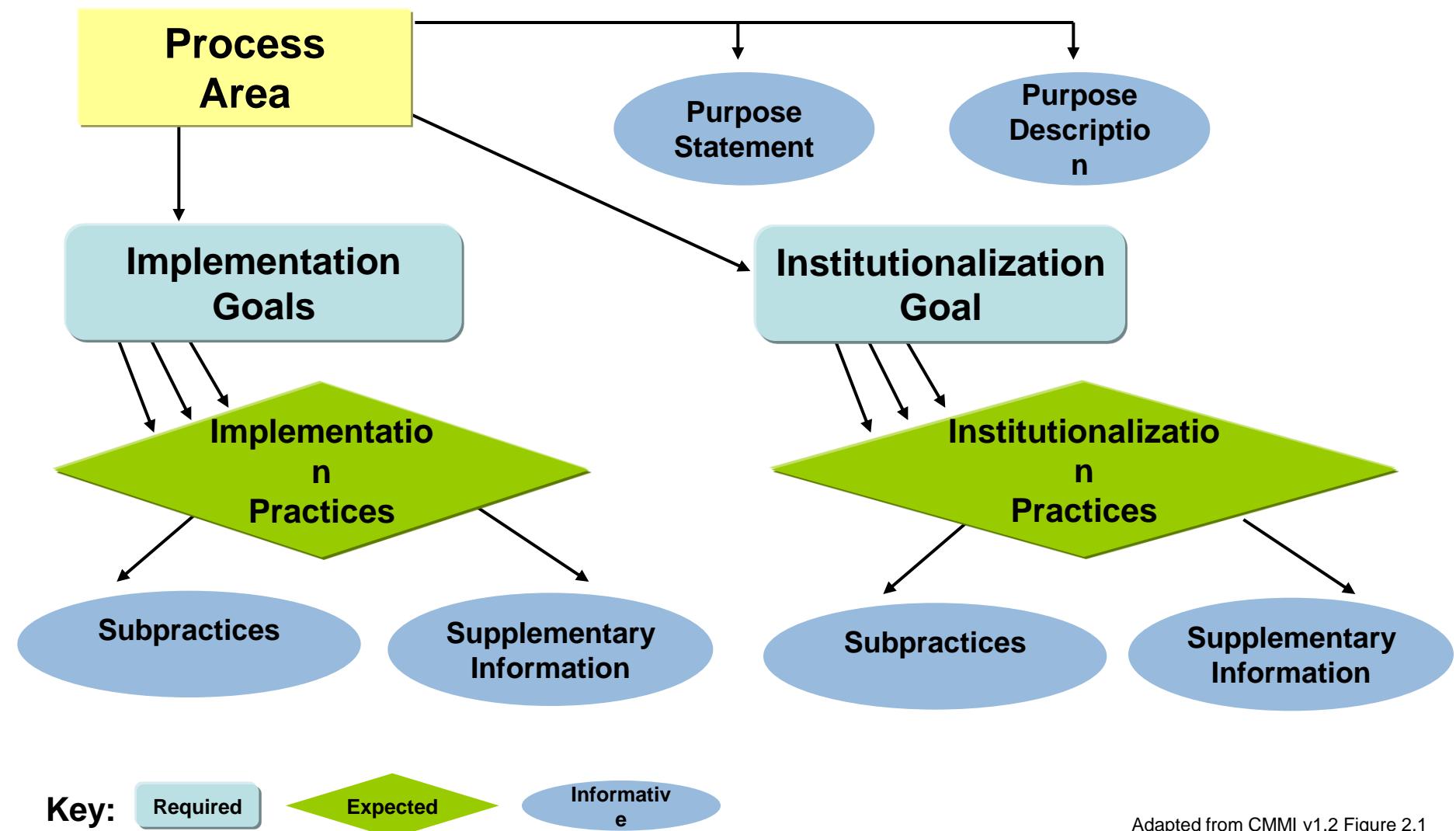
- to attract, develop, organize, motivate, and retain the workforce required to build their products and deliver the services
- align workforce development with strategic business or mission goals
- characterize maturity of workforce practices
- set priorities for improving workforce capability
- become an employer of choice



Curtis, Hefley, & Miller (2001)



# People CMM Model Components



Adapted from CMMI v1.2 Figure 2.1



# People CMM: Process Areas by Maturity Level

Level	Focus	Process Area	Competency Productivity
5 Optimizing	<i>Continuous Improvement</i>	Continuous Workforce Innovation Organizational Performance Alignment Continuous Capability Improvement	
4 Predictable	<i>Predicting Capability &amp; Performance</i>	Mentoring Organizational Capability Management Quantitative Performance Management Competency-Based Assets Empowered Workgroups Competency Integration	
3 Defined	<i>Organizational Competency framework</i>	Participatory Culture Workgroup Development Competency-Based Practices Career Development Competency Development Workforce Planning Competency Analysis	
2 Managed	<i>Basic Management Practices</i>	Compensation Training and Development Performance Management Work Environment Communication and Coordination Staffing	
1 Initial			Risk Turnover



# People CMM Practices: “What, not How”

Practices describe “what” activities and actions should be performed. It is up to the organization to decide “how” the practices are implemented to satisfy goals.

“How” Factors

Organizational Culture

Industry

Country

?????

## Two Types of Practices: “The What”

Implementation

Describe the activities or procedures that should be performed by individuals, in workgroups or units, or by the organization.

Institutionalization

Practices that help to institutionalize the implementation practices in the organization’s culture so they are effective, repeatable, and lasting.



# People CMM: Institutionalization Practices

**Practice performance will decay if not institutionalized**

**If no commitment**

**Failed efforts**

**If no ability**

**Ineffective performance**

**If no measurement**

**No improvement**

**If no verification**

**Declining compliance**



# People Capability Maturity Model: Primary Objective

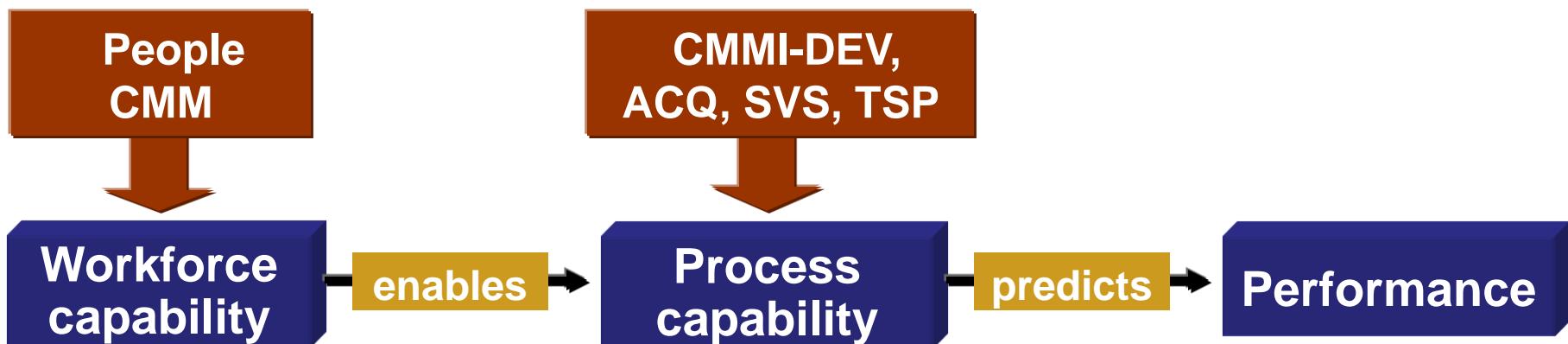
The primary objective of:

a **CMM** is to improve the **capability** of an organization.

the **CMMI (DEV, ACQ, SVS)**, is to improve the **capability** of an organization's processes.

the **People CMM** is to improve the **capability** of an organization's workforce.

The People CMM, defines **capability** as the **level** of **knowledge, skills, and process abilities** available within each workforce competency of the organization to build its products or deliver its services.



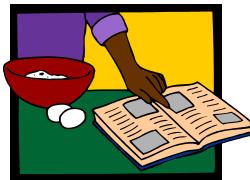
# Defining Workforce Competency



**Knowledge** represents the comprehension acquired by experience and or study.



**Skills** represents the proficiency or ability in techniques or tools that an individual must be able to demonstrate.

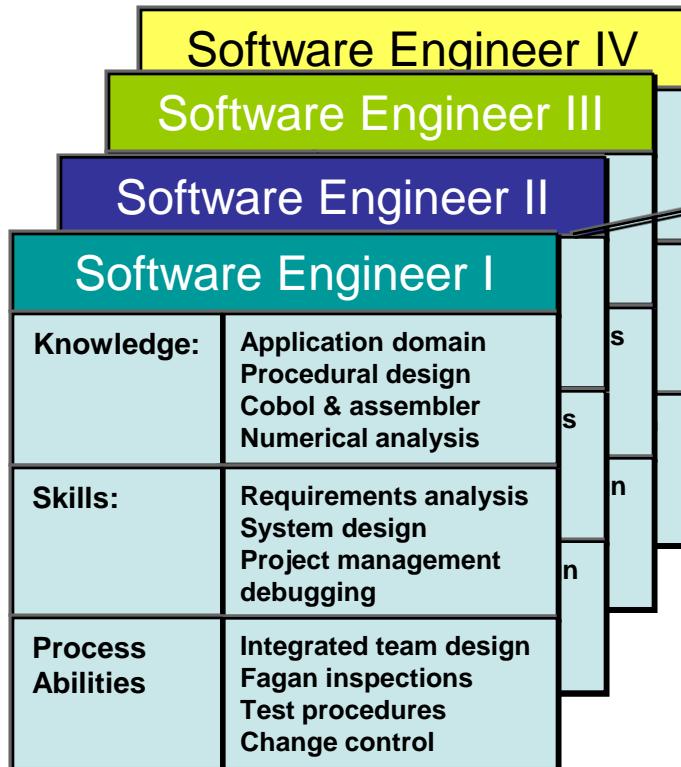


**Process abilities** is the capacity to perform individual skills in the sequencing or method used in the organization.

$$\boxed{\text{Knowledge}} + \boxed{\text{Skills}} + \boxed{\text{Process abilities}} = \boxed{\text{Workforce Competency}}$$



# Workforce Competency Example: Software Engineering



Current Resource Profile (initial inventory)

Workforce Competency	Staffing by Capability Level			
	I	II	III	IV
Software Engineer	17	25	12	5
User Training	2	8	4	1

Current Workforce Needs (one year cycle)

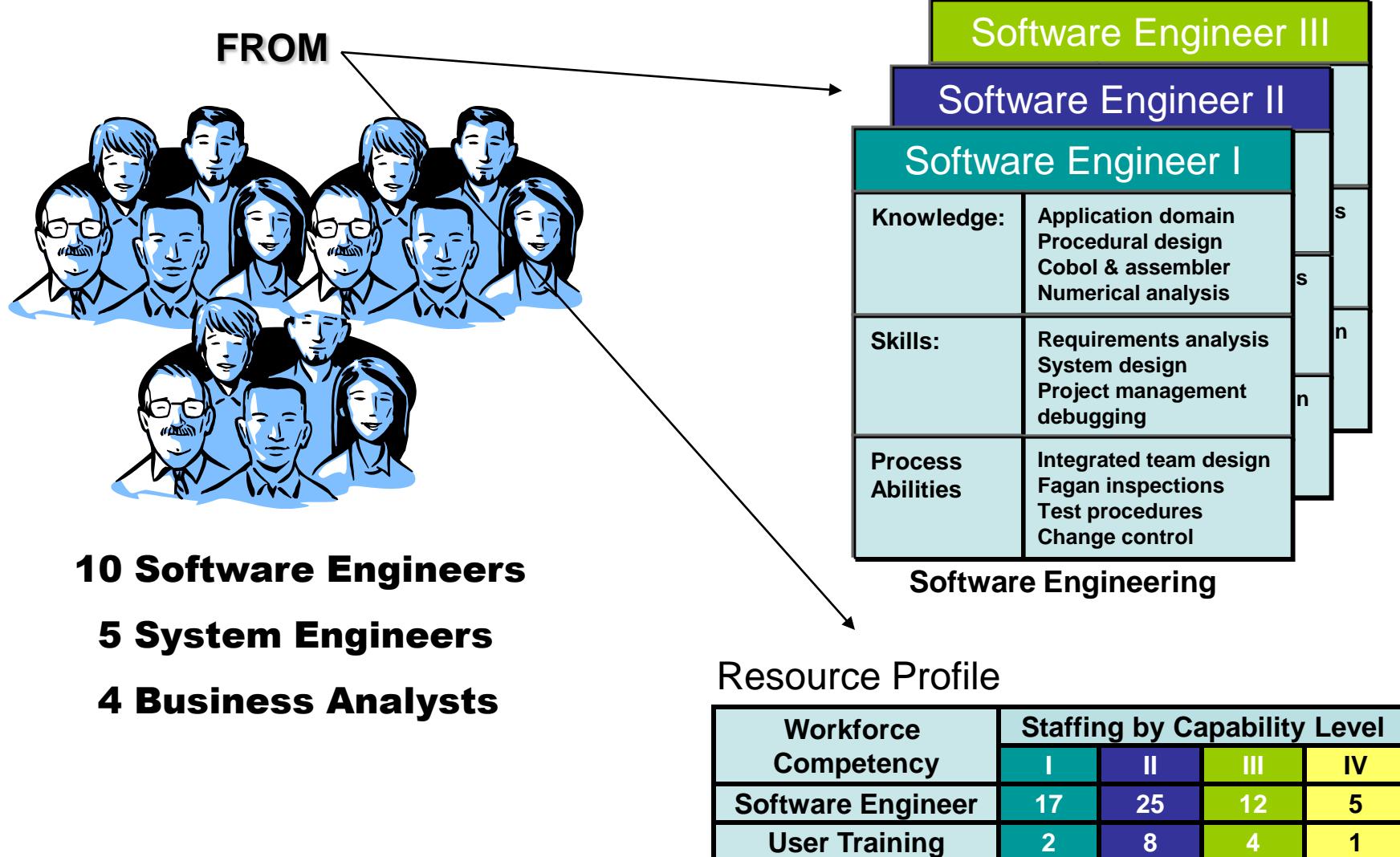
Workforce Competency	Current Staffing Level Needed			
	I	II	III	IV
Software Engineer	23	30	15	7
User Training	4	9	6	2

Strategic Workforce Needs (two to five year)

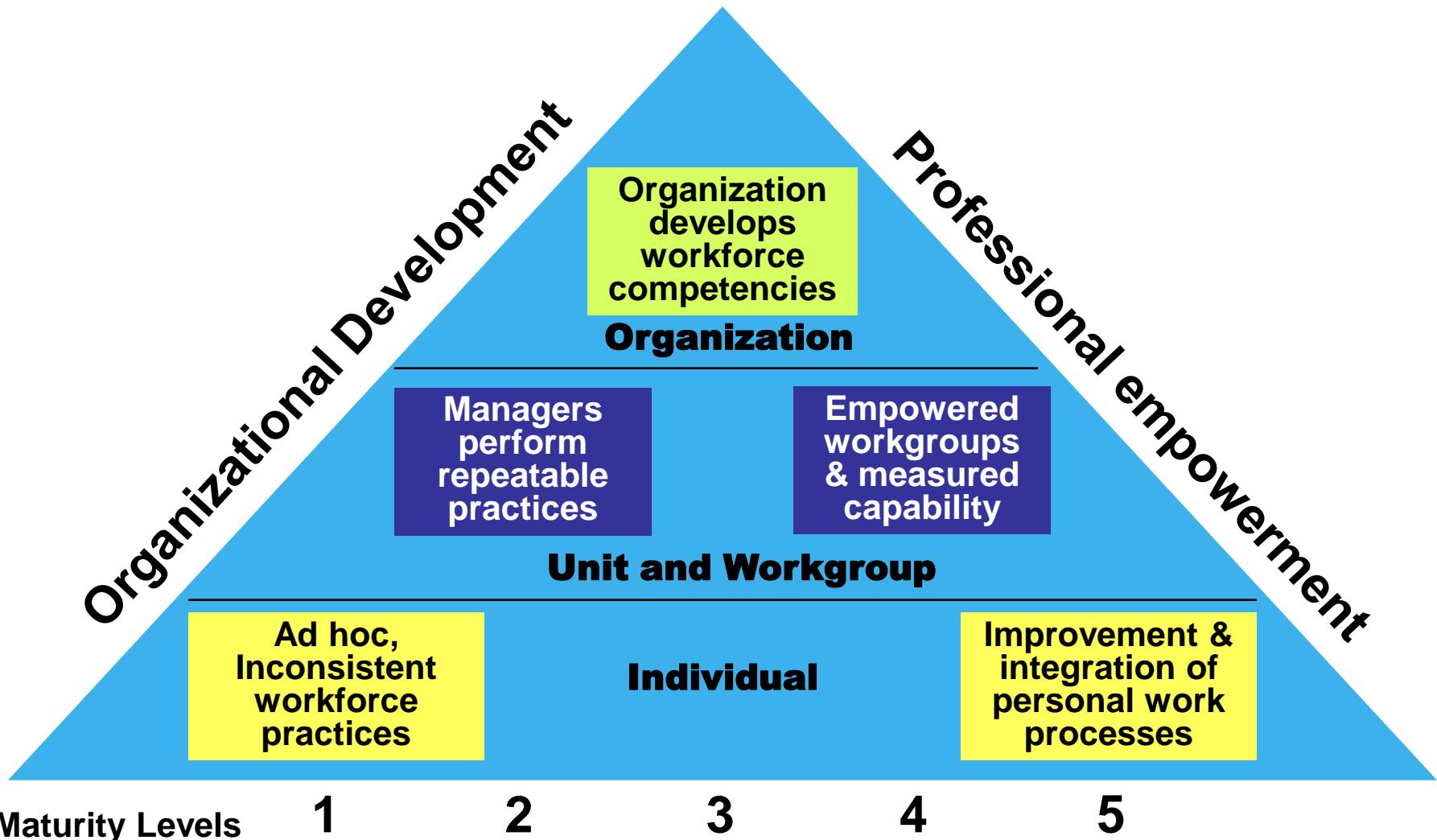
Workforce Competency	2010 Staffing Level Needed			
	I	II	III	IV
Software Engineer	31	35	18	9
User Training	4	10	8	3



# From Counting Heads to Understanding Capability

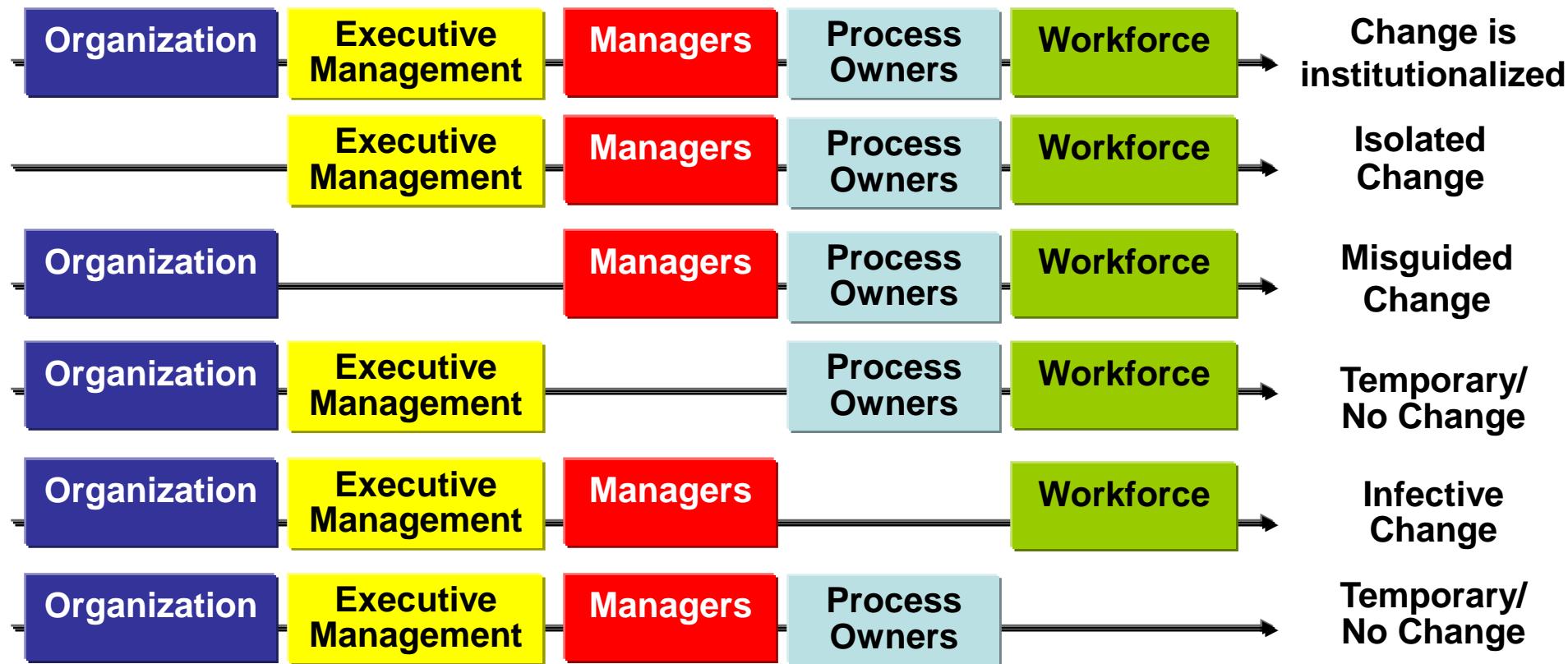


# People CMM: Focus for Changing Practices



# Multiple Roles in the People CMM

While change might be initiated by a single source, it must be accepted, internalized, and institutionalized by all affected parties to become effective and lasting. Practices in the People CMM address this issue.



# Organizational Culture: People CMM Transformations

**Level 1**

**Chaotic and an impediment to lasting change**

**Level 2**

**Change occurs due to management and workforce buy-in of committed work**

**Level 3**

**Common understanding of culture; reflects professionalism and information sharing**

**Level 4**

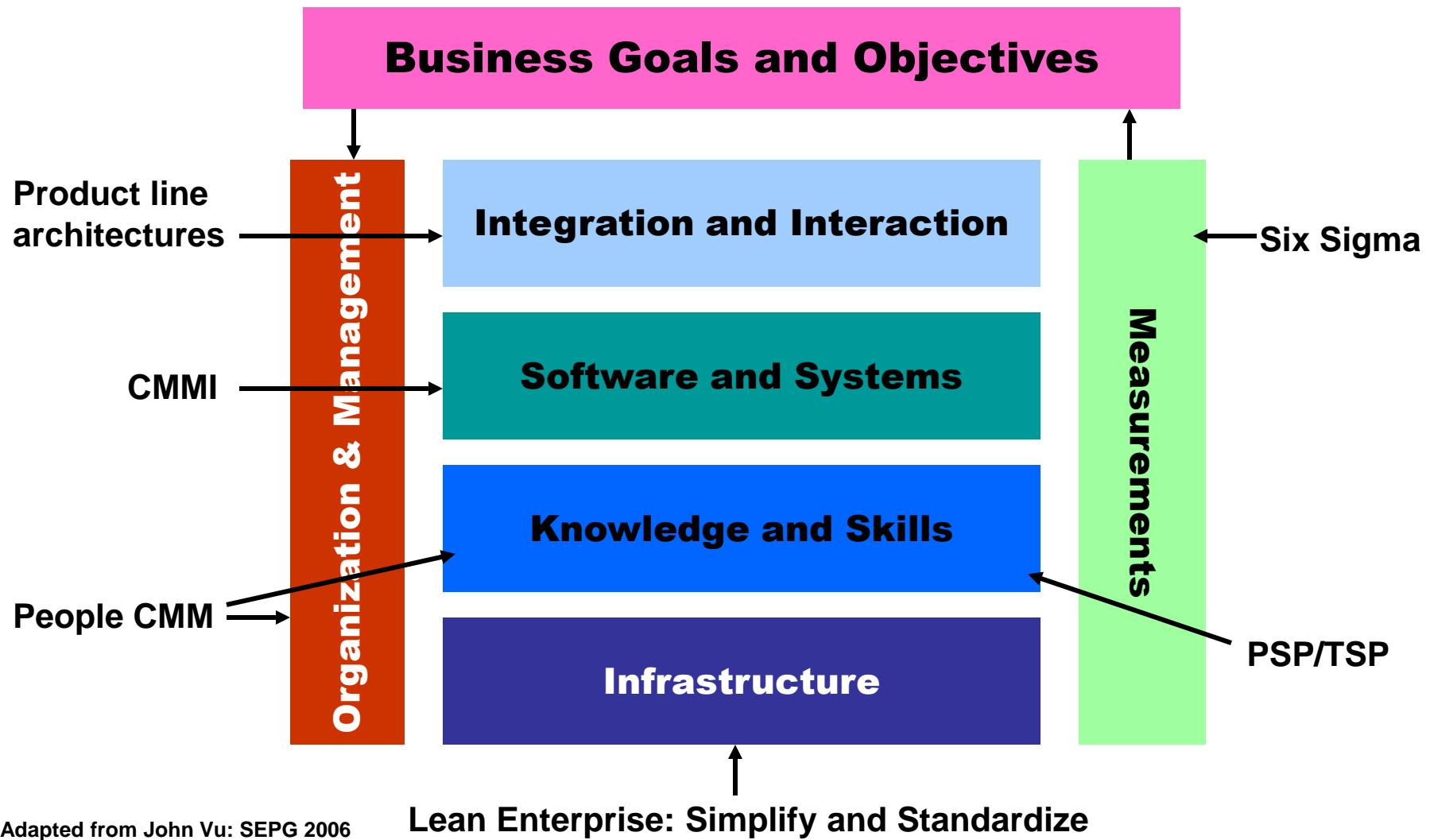
**Supports results oriented performance and quality**

**Level 5**

**adaptable to changes in business conditions**



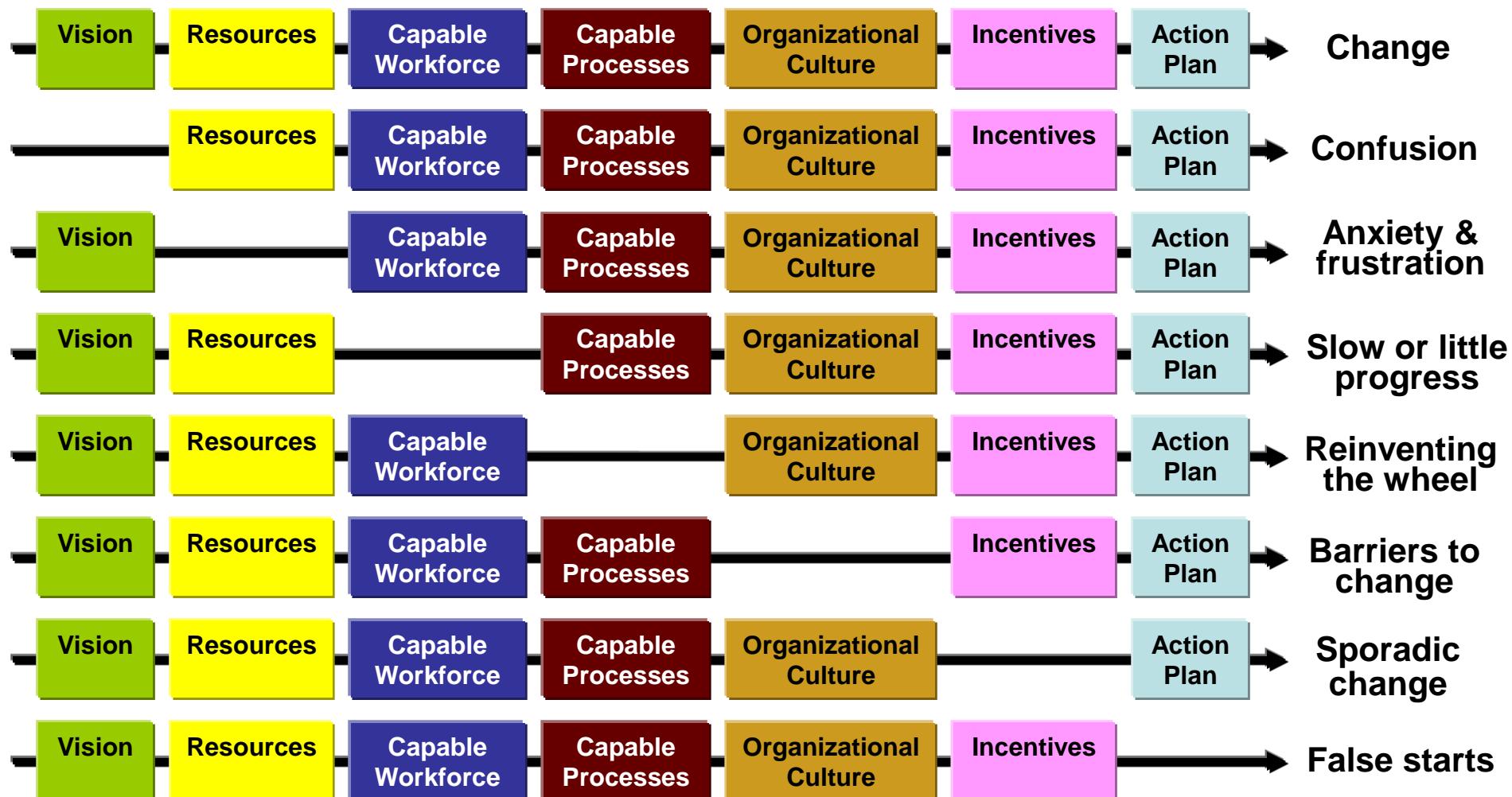
# Multiple Models/Technologies Architectures



Adapted from John Vu: SEPG 2006



# Improvement Efforts: Missing Elements for Change



Adapted from: Delorise Ambrose, 1987. Personal communication.



# People CMM Courses

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## Introduction to People CMM

August 6 – 8, 2008, Washington DC

October 22 – 24, 2008 – Vancouver, Washington  
(week prior to CMMI workshop)

November 2008 (date to be determined) Argentina

December 8 – 10, 2008 - Pittsburgh, PA

## Intermediate Concepts of People CMM

September 8 - 12, 2008 – Frankfurt, Germany

## SCAMPI with People CMM Lead Appraiser Training

November 3 – 7, 2008 – Pittsburgh, PA

## SCAMPI with People CMM Upgrade Training

Week of October 27, 2008 – Vancouver, Washington



# Contacting the SEI

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